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- and -

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A Limited Liability Partnership

Including Professional Corporations

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*Attorneys for Columbus Hill Capital Management, L.P.*

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

-and-

PACIFIC GAS AND ELECTRIC  
COMPANY

Debtors.

Bankruptcy Case

No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

**OBJECTION OF COLUMBUS HILL  
CAPITAL MANAGEMENT, L.P.  
TO MOTION OF THE AD HOC  
COMMITTEE OF SENIOR UNSECURED  
NOTEHOLDERS TO TERMINATE THE  
DEBTORS' EXCLUSIVE PERIODS**

☐ Affects PG&E Corporation

☐ Affects Pacific Gas and Electric Company

☒ Affects both Debtors

*\*All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

Date: July 24, 2019

Time: 9:30 a.m. (Pacific Time)

Place: United States Bankruptcy Court

Courtroom 17, 16th Floor

450 Golden Gate Avenue

San Francisco, CA 94102

Re: Docket No. 2741

1 Columbus Hill Capital Management, L.P. (“Columbus Hill”), the manager of funds  
2 that hold claims against, and interests in, Pacific Gas and Electric Company and PG&E  
3 Corporation (collectively, the “Debtors”), for its objection to the *Motion of the Ad Hoc*  
4 *Committee of Senior Unsecured Noteholders to Terminate the Debtors’ Exclusive Period* (the  
5 “Termination Motion”) [Docket No. 2741], respectively represents:

6 1. The Debtors filed for relief under Chapter 11 of the Bankruptcy Code on  
7 January 29, 2019, less than six months ago. On May 23, 2019, after full briefing and a  
8 contested hearing, this Court entered an Order granting the Debtors’ request for an extension  
9 of their exclusive period to file a plan of reorganization until September 26, 2019 (and,  
10 accordingly, to extend the exclusive solicitation period).

11 2. The Termination Motion does not, because it cannot, demonstrate any cause  
12 under Section 1121(d) of the Bankruptcy Code to terminate the Debtors’ plan exclusivity  
13 period as previously extended by this Court. The factors typically relied upon by courts to  
14 determine whether to extend or reduce exclusivity clearly require denying the Termination  
15 Motion. *See, e.g., In re Dow Corning Corp.*, 208 B.R. 661, 663–670 (Bankr. E.D. Mich.  
16 1997) (denying motion to terminate exclusivity). The Debtors chapter 11 cases are among the  
17 largest *and most complex* chapter 11 cases ever filed, and the Debtors have been in chapter 11  
18 for under six months. While progress toward a framework for a plan has been made,  
19 unresolved contingencies still exist (as discussed further in this Objection). The Termination  
20 Motion contains no justification for ignoring these facts and terminating prematurely an  
21 exclusivity extension granted less than two months ago to Debtors that filed bankruptcy less  
22 than six months ago. “Cause” to terminate exclusivity does not revolve around satisfying the  
23 narrow interest of a particular constituent, as the Termination Motion suggests. On the  
24 contrary, maintaining exclusivity will benefit the Debtors’ estates, creditors and other  
25 stakeholders.

26 3. Termination of exclusivity would be chaotic and disruptive to, and would  
27 impede, the Debtors’ reorganization efforts. Material progress has been made toward that  
28 end. For example, as this Court is aware, on July 12, 2019, AB 1054 legislation was enacted.

1 Passage of such legislation provides an enhanced regulatory framework that supports the  
2 formulation and confirmation of a feasible reorganization plan for the Debtors. AB 1054,  
3 however, also imposes numerous conditions on the Debtors' eligibility to access the benefits  
4 of the legislation, including, among others, the requirement that it exit from bankruptcy by  
5 June 30, 2020 and that it meet various safety-related and other regulatory conditions. The  
6 Debtors must be permitted to use their exclusive periods to address all of the issues that are  
7 preconditions to a successful reorganization, including finalizing a mechanism or process for  
8 resolving, allowing and satisfying pre-petition wildfire claims and liabilities and meeting such  
9 safety and other applicable regulatory requirements.

10 4. The Debtors must continue such reorganization efforts without unnecessary  
11 disruptions and distraction, and they are entitled to that as debtors in possession here. Efforts  
12 to disrupt, distract and/or delay the Debtors' reorganization efforts are unwarranted and  
13 unwise. Accordingly, Columbus Hill respectfully requests that the Termination Motion be  
denied in all respects.

Respectfully submitted,

Dated: July 18, 2019

/s/ Robert Sahyan

**SHEPPARD, MULLIN, RICHTER &  
HAMPTON LLP**

*Attorneys for Columbus Hill Capital  
Management, L.P.*